



Commissioned Officers Association of the United States Public Health Service

Protecting the interests of the USPHS Commissioned Corps since 1951

HB 015 – Income Tax Subtraction Modification - Military and Public Safety Retirement Income-
February 2, 2023

FAVORABLE WITH AMENDMENT

Dear Chair Atterbeary and Members of the House Ways and Means Committee:

As the Communications Director, for the Maryland Military Coalition, and as the Director representing the 1200 U.S. Public Health Officers who live in Maryland, I stand before you to request your favorable report with amendments for HB 015 – Income Tax Subtraction Modification - Military and Public Safety Retirement Income.

HB 15 raises the current subtraction for retirees who are over the age of 55 from \$15K to \$20K. In addition, it provides for an income tax subtraction for public safety officials.

For the record, my name is Lynn Nash. I am a 30-year, retired service member and nurse who believes that while HB is an improvement over the current subtraction, it is less than the “Keep Our Heroes Home Act”, announced by Governor Moore on January 26th, which increases the subtraction to \$25K for TY 23, and \$40K for TX 24 and beyond, and less than the full 100% exemption that is our Coalition’s primary goal.

The reality is that younger retirees, especially healthcare professionals, like U.S. Public Health Service Officers, are leaving the State. Last year, 20 of my nursing colleagues from Maryland retired, leaving Maryland for greener pastures—one of 38 states that don’t tax retirement at all, have a lower cost of living and pay healthcare professionals more than they get here. Not a single one stayed in Maryland. As you know, Maryland is in the middle of a critical healthcare shortage, especially in nurses and behavioral health providers. Those officers who retire and leave service between 40 and 55, have the potential for another 25 years of a second career that would be **fully taxable**. Instead, providers are aging out or leaving the profession in droves, resulting in hospital occupancy rates rising. It is a vicious cycle that has no end in sight.

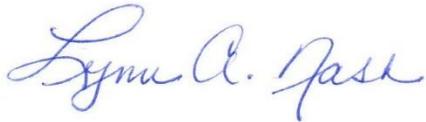
The fiscal note does not reflect the savings that would come from those fully taxable 2nd careers. Our Coalition has analyzed the costs based the age, rank and years of service. We estimate that instead of costs, the benefits of the amendment would actually be a wash—the number of providers would increase, and with them, so would the healthcare workforce grow, and the economy benefit—not only from increased tax revenue, also from the disposable income from those retirees. That would be a win-win for the State.

Therefore, I ask that your committee reconsider and amend Del. Roger's bill to raise the threshold to the full exemption. This should be accomplished preferably this year, before the healthcare system is irrevocably further damaged, or, over a period of no more than three years. The amendment would improve current staffing, helping to ensure that Marylanders receive competent healthcare that they so deserve. Please promptly provide a favorable report, with amendments.

Thank you to Delegate Rogers, for sponsoring this important legislation again. **Fully exempting retired military is our top priority issue.** It drives whether veterans stay or leave the state. We appreciate his leadership in this critical area and look forward to working with he and Senator Jackson on this issue.

Thank you.

Respectfully,

A handwritten signature in blue ink that reads "Lynn A. Nash". The signature is written in a cursive style.

Lynn A. Nash, PhD, RN, PHCNS-BC, FAAN
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